

**MINUTES
REGULAR MEETING OF THE BOARD
OF DIRECTORS OF ELSINORE VALLEY
MUNICIPAL WATER DISTRICT**

THURSDAY, JANUARY 14, 2010

The Regular Meeting of the Board of Directors of Elsinore Valley Municipal Water District was held at its principal offices at 31315 Chaney Street, Lake Elsinore, California.

Directors Present

Judy Guglielmana, Vice President
Ben Wicke, Treasurer
Harvey R. Ryan
John Lloyd
Phil Williams, President

Staff Present

Norris Brandt, Assistant General Manager
Terese Quintanar, District Secretary/Administrative Services Supervisor
John Brown, General Counsel
Paul Carver, Director of Engineering
Margie Armstrong, Director of Finance
Greg Morrison, Director of Legislative and Community Affairs
David Bell, Director of Human Resources
Joanna Stewart

Others Present

Megan Merchant
Dick Staley

CALL TO ORDER

The meeting was called to order by President Williams at 4:09 p.m.

APPROVAL OF AGENDA

A motion was made by Director Wicke, seconded by Director Guglielmana and carried unanimously to approve the Agenda as presented.

PUBLIC COMMENTS

The meeting was opened to public comments. Megan Merchant addressed the Board to say she received a \$318 water bill and then a bill in December for \$999. She checked the house and yard and there was no outside water running. She asked for her meter to be checked and the meter was found to be faulty. She didn't understand why she had to pay the \$150 to have it checked when it was faulty. She also said she had spoken with Carol in Customer Service and was informed what the protocol was for changing the meter. She didn't understand how she could go from using 100 ccf's in 15 days to 5 ccf's in 16 days without making any repairs.

President Guglielmana asked Ms. Merchant to leave information with staff and told her that staff would look into it.

Item I.0 - Election of Officers*Minute Order #4458*

Director Williams called for nominations for President and nominated Director Guglielmana. The motion was seconded by Director Ryan. Director Ryan nominated Director Wicke for Vice President and Director Lloyd seconded the motion. Director Wicke nominated Director Ryan for Treasurer and the motion was seconded by Director Lloyd.

By unanimous vote, the 2010 Officers were elected as follows:

Director Guglielmana – President
Director Wicke - Vice President
Director Ryan - Treasurer

Item II.0 - Consent Calendar*Minute Order #4459 - 4460**Resolution No. 10-01-01*

- A. Approval of the Minutes of the Special Board Meeting of December 21, 2009
- B. Approval of Requisitions
 - 1. Fritts Ford - #6603
- C. Approval of Travel Authorizations
 - 1. Ben Wicke - ACWA Board Planning Session
- D. Approval of Demands
- E. Investment Report, Receive and File
- F. Ratify the Minutes of the Legislation, Conservation, and Outreach Committee Meeting of December 17, 2009
- G. Ratify the Minutes of the Water Planning Committee Meeting of January 5, 2010

- H. Adopt Annexation Fees for 2010 and Approve Amendment to Administrative Code 1900 **MO #4459**
- I. Adopt Resolution Supporting Passage of the "Safe, Clean, and Reliable Drinking Water Act of 2010" **Reso. No. 10-01-01**
- J. Reorganization of Board Committees **MO #4460**

Director Ryan abstained on Consent Calendar Item D., Nos. 197405, 197532, and, 197575 for sources of income.

Director Williams abstained on Consent Calendar Item D for lack of time to review.

A motion was made by Director Lloyd, seconded by Director Ryan and carried by majority vote to:

- 1. Approve the Consent Calendar as presented.**

Item III.A GENERAL MANAGER'S REPORT
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Norris Brandt reported that WESA staff is currently at 111 injury free work days. He invited the Board to celebrate with staff during their lunch hour next Wednesday after the Study Session Meeting.

He also reported a fire over the ridge, in the Cleveland National Forrest. It is close to Rancho Capistrano so we sent operators to make sure the pumps were working and the tank was full. We also staged equipment on Ortega Hwy. The immediate danger has subsided; however, we will keep watch through the night in case the wind shifts.

Mr. Brandt informed the Board that we are starting to get traction with Senator Feinstein's office and asked Greg Morrison to give a report. He reported that a trip was made to D.C. in December and one of the ideas for that trip was a septic tank conversion. The information they brought with them was very helpful. In a subsequent conference call with Senator Feinstein's office it came up again and she has since had discussions with Eric Saprastein, Leah Russin and Ronald Young regarding a new funding mechanism. It was suggested that a funding program be started that takes care of everything, including the sewer lateral, connection fees and construction. Staff is beginning the work to put the structure together and Senator Feinstein would like to present the Bill herself. He expressed his appreciation for her eagerness to lead the Bill. Greg Morrison added that this is staff's idea and when the structure is created, he will make sure that it takes into consideration our particular situation.

Item III.B LEGAL COUNSEL'S REPORT

John Brown reported that University of California Riverside has developed a Certificate in Sustainable Development and Green Design. As part of that program they are sponsoring a series of six lectures focused on these issues in Southern California. Eric Garner, of Best Best and Krieger will provide the lecture in February on water. He provided the Board with the schedule of lectures. They are also focusing on transportation and infrastructure development.

Item IV.0 COMMITTEE REPORTS

Director Lloyd reported on the Wildomar City Council meeting and stated that the City Clerk swore in the new Mayor Bridget Moore and Mayor Pro Tem Marsha Swanson as they were seated.

Director Wicke reported on the Western Municipal Water District (WMWD) meeting. We have a Metropolitan Water District (MWD) increase in water rates of 19.7% in January and a year from now we expect them to increase another 12.6%. WMWD will be reporting on how all of their agencies are doing on water consumption and conservation in about six weeks. The Seven Oaks Dam was discussed and allocations are being discussed. Empire Water District would like to sell some Meeks & Daley water to Orange County, but no decision has been made. WMWD is working on Groundwater Management Plans. The Riverside Corona Feeder was discussed. A total of \$26M has been received so far and it will be built in segments. It was also mentioned that the Regional Water Board has vacancies. They also talked a bit about the wastewater agreement with Rancho California Water District (RCWD). A committee including Brenda Denstendt and Al Lopez was formed to meet with RCWD to work out the details.

Director Wicke also reported on the Engineering and Operations Committee Meeting. There will be a change order for \$23,000 for the Canyon Lake Waterline Replacement Project on Longhorn Drive. The Committee also talked about using graywater and it is now known that the Regional Board is the overseer of quality and treatment. Montgomery Water Harza (MWH) has assisted with the management of additional projects and is requesting additional funds. The Olive Street Well was also discussed. CEQA documentation is being sought for a credit by MWD for adding the water to our system. Jaime Burrola also provided an update on ongoing projects.

The Quail Valley Task Force met and in the future, a special lobbyist may be needed because Quail Valley is now considered to be in the City of Menifee and is no longer seen as a disadvantaged community. Celeste Cantu may be able to help as well. The City of Menifee and EMWD will be the lead and we'll help where we can. We did agree to work together in lobbying Washington and the State and we'll also write letters. We'll also meet regularly and stay informed.

Director Williams reported that LAFCO is preparing for a new city. Mr. Spiliotis will be visiting to speak with representatives of EWD and EVMWD to provide information on the idea of consolidation. It may be modeled much like the consolidation of the Murrieta Water District and WMWD.

Item V.0 PUBLIC COMMENTS

The meeting was opened to public comments and there were none.

Item VI.0 DIRECTORS' COMMENTS AND REQUESTS

Director Ryan congratulated Greg Morrison on the progress with getting Senator Feinstein on board for help with the septic conversion program.

Director Williams echoed the same. He also asked that when we set up the meetings, we send two directors and if there is a financial issue, a staff member and a lobbyist should attend.

Director Williams stated that he wanted to waive the automatic 5% increase in Director Fees this year.

Director Wicke said he would like to do the same and waive the automatic Day of Service increase. He also asked John Brown for advice regarding the resolution adopted tonight for safe drinking water on how to convince the voters of the financial problems faced by the state. He also asked what directors can do. John Brown answered that there are guidelines and generally we can use public funds and resources to enlighten the public about issues surrounding partisan measures but have to avoid taking a position for or against the issue. Our website could include information about measures that the customers should know about but have to be careful about try to encourage a vote one way or another.

Director Lloyd also stated that he would like to forego the increase in Directors' Fees, especially because of the 0% cost of living increase and the lack of availability of jobs. He also expressed his support of Bridget Moore as Mayor of Wildomar.

Director Wicke congratulated Greg Morrison on his efforts to obtain the funding for the septic conversion.

President Guglielmana also congratulated Greg Morrison and extended it to Director Ryan. She also said she would happily waive an increase in Days of Service compensation pay.

Director Ryan also stated that he would like to refrain from accepting an increase in pay, given the state of the current economy.

Item VII.0 CLOSED SESSION

John Brown reported that we will be discussion B, C, D & H. In respect to B, it would be in reference to LEAPS. We will also discuss under B, our negotiations with the Bureau about the Temescal Valley Project. Also, we have also heard from Mr. O'Doherty's attorney that he is interested in settling. Finally, he reported about a false claim lawsuit about valves and after a two year investigation the litigation has begun regarding PVC pipe. This is listed as H for discussion.

The Board adjourned to Closed Session at 5:14 p.m. to discuss:

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS APNs: 375-163-029, 030, 031, 032, 033, 034, 035, 036, 037, 038, 039 and 040, 375-163-049, 056, 057, 375-293-012, 375-293-013, 017, 058, 059, 060, 061, 062, 063, 064, 065, 066, 067, 068, & 069 Lake Elsinore; Negotiators: Ronald E. Young-EVMWD, and Country Club Holdings, LLC . Under negotiation: Price
- B. CONFERENCE WITH LEGAL COUNSEL ANTICIPATED LITIGATION Significant exposure to litigation pursuant to subdivision (b) of Government Code (5 potential cases)
- C. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Subdivision (a) of Section 54956.9) Elsinore Valley Municipal Water District v. R. & H. Wildomar LLC, Riverside Superior Court Case No. RIC 460663
- D. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Subdivision (a) of Section 54956.9) Elsinore Valley Municipal Water District v. City of Lake Elsinore (3rd Street), Riverside County Superior Court Case No. RIC 431267
- E. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Subdivision (a) of Section 54956.9) California Polytechnic State University Foundation. v. Elsinore Valley Municipal Water District, Riverside Superior Court Case No. RIC 525633
- F. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Subdivision (a) of Section 54956.9) Mingus Constructors Inc. v. Elsinore Valley Municipal Water District, Riverside Superior Court Case No. RIC 508757
- G. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Pursuant to subdivision (a) of Government Code Section 54956.9) R&H Wildomar 1, LLC v. The Elsinore Valley Municipal Water District and Does 1 through 20, Case No. RIC 517668

- H. CONFERENCE WITH LEGAL COUNSEL -- EXISTING LITIGATION
Name of case: UNITED STATES, THE STATES OF CALIFORNIA, et al.
vs. J-M MANUFACTURING COMPANY, INC. and FORMOSA PLASTICS
CORPORATION, U.S.A.
(United States District Court Case No. ED CV06-0055-GW)

The Board reconvened to open session at 6:38 p.m. and reported that Board direction was given, per the unanimous passing of a motion by Director Williams, and seconded by Director Lloyd, to authorize the intervention in the case listed as Closed Session Item H.

Item VIII.0 ADJOURNMENT

There being no further business, the meeting was adjourned at 6:38 p.m.

Judy Guglielmana, President of the
Board of Directors of the
Elsinore Valley Municipal Water District

ATTEST:

Terese Quintanar, Secretary to the
Board of Directors of
Elsinore Valley Municipal Water District